

H69KDZHC

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

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3 UNITED STATES OF AMERICA,

4 v.

17 CR 350 (KBF)

5 ZURAB DZHANASHVILI, AKAKI
6 UBILAVA, HAMLET UGLAVA,
7 MIKHEIL TORADZE, AVTANDIL
8 KANADASHVILI, NAZO
9 GAPRINDASHVILI, ARTUR
10 VINOKUROV, EVGHENI MELMAN,
11 ZURAB BUZIASHVILI, AZER
12 ARSLANOUK, BAKAI MARAT-UULU,
13 ANDRIY PETRUSHYN, LEVAN
14 MAKASHVILI, DENYS DAVYDOV,
15 ALEX MITSELMAKHER, YURIY
16 LERNER, AVTANDIL KHURTSIDZE,
17 SEMYON SARAIDAROV,

12 Defendants.

13 -----x

14 New York, N.Y.
15 June 9, 2017
16 12:30 p.m.

16 Before:

17 HON. KATHERINE B. FORREST,

18 District Judge
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APPEARANCES

1
2
3 JOON H. KIM,
Acting United States Attorney for the
4 Southern District of New York
ANDREW ADAMS
5 ANDREW MARK THOMAS
Assistant United States Attorneys
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FEDERAL DEFENDERS OF NEW YORK
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AMY GALLICCHIO
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DONNA NEWMAN
9 Attorney for Defendant Ubilava
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RICHARD MA
Attorney for Defendant Uglava
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BOBBI STERNHEIM
12 Attorney for Defendant Toradze
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DAVID GREENFIELD
Attorney for Defendant Kanadashvili
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LANCE LAZZARO
15 Attorney for Defendant Gaprindashvili
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GERALD DI CHIARA
Attorney for Defendant Vinokurov
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IRVING COHEN
18 Attorney for Defendant Melman
BY: DONNA NEWMAN
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EVANS D. PRIESTON
20 Attorney for Defendant Buziashvili
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LOUIS FASULO
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JOHN WALDRON
23 Attorney for Defendant Marat-Uulu
BY: EDWARD WALDRON
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25 Attorney for Defendant Petrushyn

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APPEARANCES (Continued)

XAVIER DONALDSON

Attorney for Defendant Makashvili

SUSAN KELLMAN

Attorney for Defendant Davydov

ANDREW FRISCH

Attorney for Defendant Mitselmakher

CHARLES MILLER

Attorney for Defendant Lerner

GUY OKSENHENDLER

Attorney for Defendant Khurtsidze

LISA SCOLARI

Attorney for Defendant Saraidarov

ALSO PRESENT:

YANA AGOUREEV, Russian Interpreter

MAYA BERIDZE, Georgian Interpreter

LASHA GEGECHKORI, Georgian Interpreter

NASHAUN RICHARDS, FBI

ROBERT HANRATTY, FBI

ERIN OTTERSON, FBI

BRUCE TURPIN, FBI

ASHLEY COSME, Pretrial

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1 THE DEPUTY CLERK: In the matter of United States of
2 America versus Zurab Dzhnashvili, 17 CR 350.

3 Please state your names for the record.

4 THE COURT: Actually before you do, hold on one
5 moment. I've got my seating chart, which I just want to make
6 sure I've got right in front of me.

7 Okay. Go ahead.

8 MR. ADAMS: Good afternoon, your Honor. Andrew Adams
9 and Andrew Thomas, for the government. And with us today at
10 counsel table are a number of FBI agents. This is Nashaun
11 Richards, Robert Hanratty, Erin Otterson, and Bruce Turpin, all
12 of the New York FBI.

13 THE COURT: All right. In that order; am I right?

14 MR. ADAMS: Yes, your Honor.

15 THE COURT: Okay. Good afternoon, all of you.

16 MR. RICHARDS: Good afternoon, Judge.

17 THE COURT: Let's start, Mr. Di Chiara, with you, and
18 let's work our way across the tables.

19 MR. Di CHIARRA: Good afternoon, your Honor. For
20 Artur Vinokurov, who is seated in the front row, second one in
21 from your Honor's, I guess -- well, furthest from your Honor,
22 the second one in.

23 THE COURT: All right. I think he's nodding his head
24 at me.

25 MR. Di CHIARRA: That's right. Thank you, Judge.

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1 THE COURT: Okay. Thank you.

2 MR. MA: Good afternoon, Judge. Richard Ma, appearing
3 on behalf of Mr. Hamlet Uglava. Mr. Uglava is in the second
4 row closest to you.

5 THE COURT: Good afternoon, both of you.

6 MS. GALLICCHIO: Good afternoon, your Honor. Federal
7 Defenders, by Amy Gallicchio, for Mr. Dzhanashvili. He is
8 seated in the first row furthest from you.

9 THE COURT: Good afternoon.

10 MR. LEVINE: Good afternoon, your Honor. Arnold
11 Levine, for Andriy Petrushyn. He's closer to you.

12 THE COURT: All right. Good afternoon.

13 MR. WALDRON: Good afternoon, your Honor. Ed Waldron,
14 for Mr. Bakai Marat-Uulu, in place of John Burke. Mr. Uulu has
15 consented to my representation for today. He is seated in the
16 back row and is nodding his head right now.

17 THE COURT: All right. Good afternoon, both of you.

18 MR. OKSENHENDLER: Good afternoon, your Honor. Guy
19 Oksenhendler, for Mr. Khurtsidze. He's seated third in the
20 jury box from your left in the front row.

21 THE COURT: Good afternoon.

22 MR. DONALDSON: Your Honor, good afternoon. Xavier
23 Donaldson, for Mr. Makashvili. He is in the second row, middle
24 seat.

25 THE COURT: I'm just looking for your name,

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1 Mr. Donaldson. I got him right here now.

2 Okay. Mr. Donaldson, just show me who your client is
3 again.

4 MR. DONALDSON: Second row, middle seat.

5 THE COURT: I see. Good afternoon.

6 MR. FASULO: Good afternoon, your Honor. Louis
7 Fasulo, Fasulo Braverman & Di Maggio, for Azer Arslanouk,
8 seated to my right.

9 THE COURT: Good afternoon, both of you.

10 MR. LAZZARO: Lance Lazzaro, for Nazo Gaprindashvili.
11 She's seated here, Judge.

12 THE COURT: Good afternoon.

13 MS. STERNHEIM: Good afternoon, your Honor. Bobbi
14 Sternheim, for Mikheil Toradze, who is seated next to me.

15 THE COURT: Good afternoon, both of you.

16 MR. MILLER: Good afternoon, your Honor. Charles
17 Miller, representing Yuriy Lerner, seated immediately to my
18 right.

19 THE COURT: Good afternoon, both of you.

20 MS. KELLMAN: Good afternoon, your Honor. Susan
21 Kellman. My client is seated beside me, Denys Davydov.

22 THE COURT: Good afternoon, both of you.

23 MR. FRISCH: Good afternoon, Judge. Andrew Frisch,
24 for Mr. Mitselmakher, who is to my left.

25 DEFENDANT MITSELMAKHER: Good afternoon.

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1 THE COURT: Good afternoon.

2 And we've got?

3 MR. PRIESTON: Evans Prieston. I'm for
4 Mr. Buziashvili, who is present next to me, your Honor.

5 THE COURT: All right. Thank you.

6 MS. NEWMAN: Good afternoon, your Honor. Donna R.
7 Newman, on behalf of Akaki Ubilava, who is to my right.

8 And I'm standing in for Irving Cohen, who represents
9 Evgheni Melmen, who's standing to my left. Mr. Melmen has
10 consented to my appearance on his behalf.

11 THE COURT: Thank you. And good afternoon.

12 I think that is -- one more?

13 MR. GREENFIELD: Yes, your Honor. Good afternoon.
14 David Greenfield, for Mr. Kanadashvili, who's standing to my
15 left.

16 THE COURT: Good afternoon.

17 MS. SCOLARI: Lisa Scolari, for Semyon Saraidarov.
18 Good afternoon, your Honor. He's right here, next to me.

19 THE COURT: Terrific. Good afternoon.

20 Now I think we've actually got all the rows, right?

21 THE DEPUTY CLERK: Yes.

22 THE COURT: One thing I want to say before we proceed
23 further is I do know that certain defendants are wearing the
24 equipment that allows them to hear the translation. From time
25 to time, the battery runs out, or you need to turn up the

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1 sound, or something happens, and you might not actually be able
2 to hear. If that occurs, please raise your hand, or nudge your
3 lawyer, or otherwise make it clear to us, if you're over here
4 in the jury box, that you can't hear, and we'll get it fixed,
5 all right? It's very important that everybody be able to hear
6 everything today.

7 I'd like to start off by -- let me just tell you folks
8 what I understand the state of play is. I understand that each
9 of the defendants who are here and present in court today have
10 been presented and arraigned, and, therefore, that our task
11 right now is to have an initial conference where we'll talk
12 about the nature of the discovery in this case, a schedule for
13 the production of that discovery, and then next steps.

14 So, that's what I think the agenda is. Tell me if
15 someone hasn't been presented or arraigned first, and then
16 we'll resolve any issues that may be open there.

17 MR. ADAMS: Certainly. No one in the courtroom
18 today -- everyone in the courtroom, rather, has been presented
19 and arraigned already. There are two people today who will go
20 through the same process, and I will contact chambers to set up
21 a conference for them as well.

22 THE COURT: All right. Terrific.

23 Then let's move on to a description from the
24 government of the nature of the discovery in this case and your
25 plan for production.

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1 MR. ADAMS: Certainly, your Honor.

2 With permission, and to give some context to the
3 discovery, I'd like to give the Court and the defendants today
4 sort of an overview of the case generally, and that will, I
5 think, make it a little easier to understand exactly what kinds
6 of discovery categories we're talking about.

7 THE COURT: All right. That's fine. Just make sure
8 you speak slowly. Just because of the translators, extra
9 slowly. You're not speaking particularly quickly, but I want
10 to make sure --

11 MR. ADAMS: Certainly.

12 THE COURT: -- the translators are able to get
13 everything.

14 MR. ADAMS: Certainly.

15 And I will look over. If there are problems, just
16 raise a hand.

17 So, this is a racketeering case principally. It
18 centers around a core group of defendants, and, in particular,
19 one defendant, a man named Razhden Shulaya, who's not in the
20 courtroom today. He was arrested on Wednesday at the same time
21 as the majority of the defendants here, but in the District of
22 Nevada. He's been detained pending transport, and we expect
23 him in the district as soon as the marshals can produce him
24 here.

25 The crimes with which what we are referring to as the

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1 Shulaya enterprise were engaged are vast and varied, and I will
2 go through a couple of categories. It's laid out in the
3 indictment. There's some overlap between them, and each of
4 these categories involve usually overlapping membership within
5 sort of the lower tiers of the Shulaya enterprise.

6 At the core of the investigation was originally an
7 illegal gambling establishment. There's a poker house in
8 Brighton Beach. The poker house acted as kind of a
9 headquarters for the Shulaya enterprise, and it hosted an
10 illegal poker game on a regular basis. There were a number of
11 the defendants involved in running or managing the poker game.

12 From this illegal gambling activity, a number of other
13 crimes stemmed. There was extortion of people who engaged in
14 gambling at the poker house. People who ran up debts in the
15 tens of thousands of dollars to the Shulaya enterprise were
16 extorted, threatened, intimidated by members of the Shulaya
17 enterprise, in order for the enterprise to recoup its losses or
18 recoup, rather, its debts owed by those people.

19 The use of the poker house also included a safe and
20 secure, or what the enterprise believed was a secure, location
21 for acts of violence. These related to the poker house or the
22 enterprise's efforts to instill a sense of fear among its
23 lower-level participants of Shulaya and his core group, such
24 that when people went out of line, from the perspective of
25 Shulaya, they would be injured, and in some cases, badly

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1 injured. This is captured on video in several instances.
2 There is one instance in which a confidential source himself
3 was actually assaulted, both by Shulaya himself and by
4 Mr. Khurtsidze, who will be the subject of a bail discussion
5 later today.

6 The poker house had a surveillance camera. The
7 surveillance camera was attempted to be dismantled and thrown
8 away as a result of some arrests in an unrelated or a different
9 and separate case, a different separate investigation, that
10 took place across the river in the Eastern District of
11 New York. Sometime in October or November of last year, there
12 were some arrests, and the poker house shut down. Shulaya took
13 the video system, tried to get rid of it by giving it to the
14 confidential source. So, the interior video of the poker house
15 is available, and if this goes to trial, the jury is going to
16 see instances of sometimes brutal violence in furtherance of
17 the enterprise.

18 THE COURT: So, who was maintaining these tapes? This
19 was a surveillance setup that was set up by the alleged poker
20 house and maintained by them?

21 MR. ADAMS: Correct.

22 THE COURT: And happened to just capture whatever was
23 going on inside the poker house within the view of the camera
24 on tape?

25 MR. ADAMS: Correct. There are two ways in which this

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1 was accessible. Even before they attempted to throw away the
2 server -- I say tape, but it's an electronic digital
3 surveillance system. Even before that, the FBI, through a
4 confidential source, had access to the video footage from the
5 surveillance because the enterprise had essentially an iPhone
6 app where you could go and look at live what was playing inside
7 the poker house if you had access and permissions to look at
8 the interior of the house. The Shulaya enterprise gave that
9 access to a confidential source, and, so, it was easy and
10 available to look at any point and see what was happening
11 inside the poker house.

12 THE COURT: Was that material then retained not only
13 on the server, but, also, was it put onto a cloud someplace in
14 addition?

15 MR. ADAMS: I don't believe it's on a cloud. The
16 server is maintained and in FBI custody. We were able to
17 capture portions of video. The CS could show that video to the
18 agents and record certain snippets of it. It's not the
19 entirety predisposition of the server itself.

20 That's just the video, it's not audio. There was no
21 Title 3 or anything on that particular device.

22 In addition to the poker house, there was some other
23 after-hours clubs and social clubs that the Shulaya enterprise
24 was engaged in. There are investments by Shulaya himself and
25 other members of the enterprise into a number of clubs.

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1 Mr. Azer Arslanouk is one of the defendants here today, was
2 involved in managing certain of those clubs. Those clubs
3 hosted narcotics sales. In some situations, the Shulaya
4 enterprise's protection was sought for other clubs that would
5 offer, again, narcotics sales, and in one instance, there are
6 consensually obtained recordings discussing the use of the
7 Shulaya enterprise's protection for prostitution.

8 There were, by Mr. Arslanouk's own words, bribes being
9 made to law enforcement in some instances in order to ensure
10 the protection for that side of the Shulaya enterprise.

11 In addition to this extortion racket, the gambling
12 racket, and the violence surrounding the poker house, there are
13 a number of other schemes that the Shulaya enterprise engages
14 in. A lot of the same people involved in what I just described
15 are also involved in these other schemes.

16 There is -- and I will lump these three together --
17 there is an interstate transportation of stolen property
18 scheme, there's a contraband cigarette receipt and distribution
19 scheme, and there's a narcotics charge in here as well, in
20 which one member who's charged in the RICO is also charged with
21 just a stand-alone narcotics case or narcotics charge.

22 With respect to the cigarettes, various members of the
23 enterprise would receive contraband cigarettes or unmarked
24 cigarettes. These were actually being provided by the FBI and
25 distributed through the Shulaya enterprise. The conspiracy

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1 understood these to be contraband, stolen cigarettes. And we
2 are talking about merchandise somewhere on the order of over a
3 million dollars worth of contraband tobacco.

4 In addition to cigarettes themselves, there is a cargo
5 theft scheme here, which is a little more complicated, and
6 involved merchandise and cargo, essentially, of any kind. The
7 idea was that different shipments of any sort of cargo would be
8 stolen using a particular method of impersonating a trucking
9 company or pretending to be a legitimate trucking company,
10 putting in a bid to win the right to go pick up a shipment of
11 whatever the bid might be for, and then simply purloining,
12 stealing, the shipment.

13 So, the indictment talks about one of these incidents
14 involving approximately 10,000 pounds of chocolate confections.
15 These were peanut butter cups that were being supplied by one
16 company and intended for delivery to its customer. The Shulaya
17 enterprise, certain members of it, put in a bid using false
18 names, false identification, won the bid, picked up the
19 shipment, and took it to a warehouse in Brooklyn, where they
20 then sold it, or believed they were selling it, to a black
21 market distributor that was, in fact, a confidential source.

22 The enterprise went beyond that one sale. There are
23 also intercepted wire calls, which I'll talk about in a moment,
24 involving the receipt and sale of such things as large
25 shipments of laptops, light bulbs in one instance, and chicken

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1 feed, with a D, in enormous quantities. I believe some of that
2 was actually found in a search warrant executed at the same
3 time as the arrest.

4 This cargo theft scheme I mentioned took advantage of
5 false identification and fake names. There is, in addition to
6 this cargo theft and the cigarette scheme, a false ID
7 counterfeit credit card and forged check scheme that, again, an
8 overlapping group of members of the enterprise were engaged in.

9 Certain members of the enterprise, including people
10 who are here today, were involved in the manufacture of false
11 identification documents, the creation of counterfeit credit
12 cards, obtaining forged checks for cashing at various locations
13 in and around the New York area and in and around the Las Vegas
14 area, as well as in Florida, at different times during the
15 course of the conspiracy.

16 Moving from those schemes to one that has a very
17 different sort of flavor, there is a wire fraud charge in the
18 indictment. It's also listed among the overt acts in the RICO
19 conspiracy, and I will refer to it as the casino scheme. The
20 casino scheme involves obtaining electronic slot machine
21 samples, an actual electronic slot machine, or the programs,
22 the motherboard of the device itself. Members of the
23 enterprise and people they hire take the inner workings of
24 those machines, copy them, mirror those machines, study their
25 inner workings, and essentially figure out what is supposedly a

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1 random number generator and how it works. It's not entirely a
2 random number generator, and so they're able to analyze that
3 machine and figure out, based on what a machine in a casino is
4 displaying at any given moment, where within the life of the
5 random number generator -- seemingly random number generator
6 that machine in the casino is, such that someone sitting in the
7 casino can speak to a member of the enterprise or somebody we
8 believe in Russia with access to these programs, and that
9 person can say, bet now. The person sitting in the casino in
10 realtime places a bet and wins effectively every time, turning
11 the slot machine from a game of chance into an ATM.

12 The evidence on this is going to include both
13 surveilled deliveries of a sample slot machine to the Shulaya
14 enterprise, wiretapped recordings between Shulaya and multiple
15 members of the enterprise regarding the inner workings of the
16 scheme, regarding the effectiveness of some of the software and
17 hardware used in mirroring the slot machines, and discussing
18 the effectiveness of the scheme itself with people actually in
19 the casino while they're winning, testing the scheme itself.

20 I'll talk about some seizure evidence, but those will
21 include, in some cases, motherboards of slot machines of
22 exactly the kind I'm talking about.

23 Finally, and really quite different from anything I've
24 talked about so far, certain members of the enterprise,
25 including Mr. Dzhnanashvili, Mr. Buziashvili, and others, were

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1 engaged in what I'll refer to as --

2 THE COURT: When you're saying Dzhanashvili, that's
3 D-Z-H-A-N, correct?

4 MR. ADAMS: Correct, your Honor. Yes.

5 THE COURT: All right. Continue.

6 MR. ADAMS: This robbery scheme worked as follows:
7 There was a female coconspirator, not charged in this
8 indictment, who was effectively employed by the Shulaya
9 enterprise, and most directly by Mr. Dzhanashvili, to seduce
10 and lure different men who people believed the enterprise
11 believed to be in possession of money or had access to money.
12 The idea was to lure these people to a hotel, or casino, or
13 someplace where this coconspirator would be in a position to
14 drug, or knock out, or if need be, just physically overwhelm
15 the person I'll call the mark, with the understanding being
16 that we will steal this person's money, steal this person's
17 credit cards. There are wire intercept calls really in great
18 detail and with some explicit facts about how the scheme would
19 work, including discussions about how to use chloroform gas in
20 order to knock somebody out, where to obtain it, and exactly
21 how they would subdue and rob these marks.

22 There will be evidence of surveillance of the marks by
23 other members of the enterprise, including Mr. Saraidarov,
24 Mr. Uglava in some instances. These marks would frequent
25 places where those two people worked. They would alert other

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1 members of the conspiracy to the presence of those people, so
2 that this coconspirator could be introduced to those potential
3 victims.

4 So far as we know, the FBI was able to intercept and
5 stop any actual robberies from occurring through the course of
6 the conspiracy as a result of exactly how express the details
7 over the wire were.

8 Those are, I think, the principal schemes charged in
9 the indictment. They really cover the background to the
10 discovery, and unless the Court has questions about that
11 aspect, I'll move to the --

12 THE COURT: No. Why don't you go on to the more
13 granular details of the discovery.

14 MR. ADAMS: Sure.

15 So, this has been an investigation that the FBI has
16 been working on since approximately 2014. It has involved the
17 use of numerous confidential sources. Those confidential
18 sources have obtained approximately -- well over 200 hours of
19 consensually recorded body wire recordings. Those are coupled
20 with surveillance. In some instances, they're coupled with
21 photographs. In some instances, it's coupled with video of
22 these meetings corroborating the surveillance itself or the
23 recordings themselves. And we have at this point draft
24 transcripts of much of that and summaries of much of that,
25 which we'll be in a position to begin producing shortly.

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1 THE COURT: What language are these in?

2 MR. ADAMS: Russian, Georgian, English in some
3 instances, but overwhelmingly in Russian and Georgian.

4 THE COURT: When you say you have draft transcripts,
5 do you have draft transcripts with translations or only into
6 the first language?

7 MR. ADAMS: The former, your Honor, into English.

8 THE COURT: All right.

9 MR. ADAMS: In December of last year, we began a
10 series of judicially authorized wiretap intercepts over a
11 number of phones. Those continued until Wednesday of this
12 week. So, we have approximately six months of wiretap
13 recordings. Those began with six target phones that went down
14 to five target phones, I believe, after one month. There were
15 three owners of those multiple phones - Ms. Kanadashvili had
16 her phone intercepted for one month, Mr. Shulaya himself at
17 various points had up to four phones being intercepted, and
18 Mr. Dzhanashvili's phone was intercepted for the entire period
19 as well.

20 THE COURT: How many separate initial wire
21 applications as opposed to renewals? How many are we talking
22 about?

23 MR. ADAMS: One single application that covered all
24 the phones.

25 THE COURT: All right.

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1 MR. ADAMS: The initial application covered only wire
2 intercepts. We expanded to electronic intercepts as well over
3 certain lines.

4 There are, in the process of burning to DVDs and hard
5 drives, the conversations themselves. The line sheets should
6 be prepared early next week. I will say that the volume is
7 enormous. There are, over Mr. Dzhnashvili's phones alone,
8 approximately 11,000 pages of line sheets that we have. We
9 have detailed translations into English for many conversations.
10 We have summaries of the others in English. We don't have
11 detailed translations of every single conversation that
12 happened.

13 THE COURT: All right. Are the 11,000 pages -- no,
14 let me ask you this: Are people talking in code, or are they
15 going to be searchable in some way that's going to be
16 meaningful?

17 MR. ADAMS: They are both, frankly.

18 THE COURT: Both?

19 MR. ADAMS: There's plenty of speaking in code or
20 speaking sort of in very clipped ways, including discussions
21 about how we should not speak about this on the phone over and
22 over. It is all word searchable. So, if you know phone
23 numbers -- and we will be helping defense counsel act as a
24 spotlight for relevant phone numbers -- it should be easy to
25 search by phone numbers. There are particular nicknames or

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1 aliases that we've learned throughout the course of the wiretap
2 that we can assist defense counsel in working through.

3 So, at first glance, I imagine it may seem opaque, but
4 we will be here to help defense counsel work through that.

5 THE COURT: All right.

6 MR. ADAMS: That 11,000, by the way, that is only on
7 Mr. Dzhnashvili's phone. Mr. Shulaya had four phones at one
8 point. I believe there's something on the order of 60,000
9 calls and SMS messages intercepted over the course of six
10 months.

11 Geolocation data for those cell phones and the cell
12 phones of many other of the defendants here today will be
13 provided. Approximately 30 different cell phones for which
14 geolocation data was obtained at different points. And that
15 stuff becomes relevant in a number of ways, including placing
16 people at particular check-cashing locations or the areas
17 placing people at casinos that are of interest, at cigarette
18 deals, the movement of interstate stolen property. The
19 geolocation data comes into play in that way.

20 There are a large volume of pen registers and the data
21 from that -- I think it's 45 lines over the course of about two
22 and a half years -- just showing the numbers and sort of header
23 information without contacts between suspects in the case.

24 There is the video from the poker house that I spoke
25 about earlier. There's video surveillance from different

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1 casinos that we were aware that the casino scheme was being
2 executed at more recently. So, those casinos were able to give
3 us surveillance video of enterprise members engaged in the
4 fraud.

5 There are records related to the sale of these
6 contraband cigarettes sold through and to the Shulaya
7 enterprise. The bank records and records from Western Union
8 and MoneyGram reflecting the movement of money by the
9 enterprise.

10 THE COURT: And can you give me a sense of volume as
11 to those and whether they are going to be primarily electronic
12 form?

13 MR. ADAMS: They will be in electronic form.
14 Currently, it's not in a particularly enormous volume, and
15 there are some spreadsheets associated with those that make it
16 a little easier. I will say as a result of the search warrants
17 earlier this week, I imagine that that aspect - bank records,
18 Western Union - will grow substantially in the next few weeks.

19 There will be some records from these trucking
20 companies and shipping companies that were the victims of the
21 cargo theft scheme that I spoke about earlier. That's not
22 particularly voluminous. There are contemporaneous records
23 from the shipping companies saying we got a bid from this
24 person, and then that shipment went missing. There's some
25 related records to things like the phone numbers used to

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1 conduct that scheme, the email addresses used to conduct that
2 scheme, but, again, that's not a massive amount of material.
3 One will be larger, and we are really only now in a position to
4 even start working on this as a result of the search warrants
5 that were executed on Wednesday.

6 THE COURT: You said only the search warrants that
7 were executed on?

8 MR. ADAMS: Wednesday.

9 THE COURT: On Wednesday?

10 MR. ADAMS: This past Wednesday.

11 THE COURT: All right.

12 MR. ADAMS: Actually, before I get to that, I'll
13 mention, we had obtained email account search warrants on three
14 different accounts over the course of the investigation, one
15 belonging to Mr. Zurab Buziashvili, one related to -- I only
16 know it by the email account, it's not in somebody's particular
17 name and is anonymized, but it's related to the credit card and
18 the card theft fraud, but we'll be providing that, and in one
19 account in the name of Mr. Savgir, who's currently a fugitive.
20 Mr. Savgir's role with respect to the enterprise was the
21 creation of false identification documents and counterfeit
22 credit cards primarily. Those email accounts reflect the
23 receipt of things like photographs for use in creating false
24 identifications, including photographs of people who actually
25 were at casinos and other places that would cash checks and, in

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1 fact, did cash checks with other people related to the
2 enterprise.

3 Mr. Savgir's email account is not particularly huge in
4 this case. We limited the time period for which we requested
5 records from that account. I think that the order of emails
6 there is approximately a thousand emails. It's not 10,000 or
7 100,000.

8 So, with that, I'll talk for a moment about the recent
9 search warrants of a couple of premises that were executed this
10 past Wednesday.

11 We had five different premises subject to search
12 warrants in the Eastern District and in the District of New
13 Jersey. The premises in the District of New Jersey is
14 Shulaya's personal residence. And it was, frankly, just a
15 trove of electronic information and devices. Agents seized
16 approximately --

17 THE COURT: Can you give me -- you're about to say?

18 MR. ADAMS: Yes, I think I'm about to answer.

19 Agents seized approximately 34 different cellular
20 different telephones, ten different iPads, hard drives, USB
21 keys, and other electronic devices, drugs, what appears to be
22 cocaine or the paraphernalia related to prior possession of
23 cocaine.

24 THE COURT: In personal use quantity or something that
25 is suggestive of something else?

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1 MR. ADAMS: I was just looking at this before we came
2 over. Individually, they would be personal use, I would think,
3 but it is quite a number of vials. We're still looking to see
4 how it was packaged and whether we think it was distribution.

5 A skimming device, which is relevant to the
6 counterfeit credit card scam. Skimming devices were found in
7 other premises, which I will discuss in a moment, and are
8 integral to running these counterfeit credit card scams and
9 obtaining stolen credit card information.

10 Western Union receipts along the same lines that we
11 had understood Shulaya to be moving money through the wire and
12 through earlier investigation. There are two strong boxes or
13 safes that are not just your Wal-Mart brand safes, they weren't
14 cracked immediately by the FBI. The FBI is still working to
15 get into the safes pursuant to the warrant, so I'm not sure
16 what's in those just yet, but the agents did find a crossbow in
17 Mr. Shulaya's residence. The reason that it is relevant is
18 that it was a present from another for -- or extremely high
19 level figure within the Russian organized crime world to
20 Mr. Shulaya as a birthday present.

21 So, for the moment, I don't know what the volume of
22 data or information on the iPads or phones will be --

23 THE COURT: All right.

24 MR. ADAMS: -- but we will be obtaining a follow-up
25 warrant for those electronic devices, and we can report to the

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1 Court as soon as we know what's inside. And it may well be
2 that certain of the devices are either empty or locked in a way
3 that we can't reasonably crack them.

4 THE COURT: Then you've got four places in the
5 E.D.N.Y. in Brooklyn?

6 MR. ADAMS: Yes, your Honor.

7 Mr. Dzhanashvili's residence was the subject of a
8 proceeds warrant. It included fake identifications, false
9 state identifications, thumb drives, which have not yet been
10 searched -- again, with all of these electronic devices that
11 I'm mentioning, we're going to be getting a follow-up search
12 warrant for all of this -- and a slap-on GPS device. It
13 appears to be of the kind that you would use to track a car.
14 We are, at this point, not sure if it contains any relevant
15 data. We need to consult with the manufacturer to see what
16 might be kept on that. That's Mr. Dzhanashvili's residence.

17 Mr. Melman's residence was the subject of a warrant.
18 Mr. Melman was primarily of interest in the course of the
19 investigation with respect to the casino fraud. Mr. Shulaya
20 and Mr. Melman are in contact frequently over recorded
21 conversations and the wiretap discussing the effectiveness of
22 some of the servers, essentially troubleshooting the servers as
23 they're attempting to execute the scheme. And Mr. Melman's
24 apartment was one hub from which that sort of troubleshooting
25 and technical support was being offered.

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1 Mr. Melman's residence included devices consistent
2 with the casino fraud. It included devices consistent with the
3 counterfeit credit card scheme as well, including devices that
4 appear to be either skimmers or other electronic devices
5 associated with the counterfeit and credit card scheme. And
6 there's a motherboard of the same kind that is associated with
7 a particular kind of electronic slot machine. That was also
8 found in Mr. Melman's apartment.

9 There are approximately -- well, there were actually
10 well over ten devices -- I don't have the exact number --

11 THE COURT: In total?

12 MR. ADAMS: In total.

13 -- in Mr. Melman's apartment.

14 THE COURT: All right.

15 MR. ADAMS: Mr. Savgir's apartment was the subject of
16 a warrant. Mr. Savgir's apartment included a large amount of
17 manufacturing equipment for false identifications and
18 counterfeit credit cards. It included very high-end printers,
19 it included state holograms of the sort that you might see on
20 the front of your driver's license from various states, all
21 very well organized in his apartment, photo printers,
22 laminators and sample laminate, all consistent with the
23 creation of false identifications, a number of flash drives,
24 which have not yet been searched, and a guide to the appearance
25 of various state identification documents. It's the kind of

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1 thing that you might have if you were a bartender to check IDs.
2 It's also the kind of thing that you might have if you're
3 creating fake IDs.

4 Finally, there were two different premises both
5 associated with Mr. Marat-Uulu, who's charged currently in the
6 narcotics conspiracy in this case. There is a separate
7 complaint that the Court has as well that relates to a number
8 of firearms charges in a murder-for-hire conspiracy. We
9 charged that by complaint because the facts sort of percolated
10 at a later time when we were going to the grand jury, but we
11 intend to supersede that as well. But Mr. Marat-Uulu's
12 apartments were searched in the course of the arrest on this
13 indictment.

14 And there were basically two different schemes
15 reflected here. One has to do with a fake charity scam that
16 Mr. Marat-Uulu has discussed in conversations with different --
17 with a source. That's essentially exactly what it sounds like,
18 and it purports to be a charity. It takes money, it's not
19 actually a charity.

20 And then in Mr. Marat-Uulu's other apartment, there
21 were a trove of devices and equipment associated with false
22 identifications and counterfeit credit cards, including
23 skimming devices, USB keys that have not yet been searched, and
24 consistent with what we had understood from some information
25 from a confidential source, there was mail from Russia that had

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1 arrived at Mr. Marat-Uulu's residence. When opened, it looked
2 to be a voltmeter, something for measuring the voltage of
3 electronic devices. When that device itself was opened, what
4 was actually inside of it is more credit card skimming devices
5 and essentially more devices for the use in this counterfeit
6 credit card scam concealed to be smuggled into the country.

7 Your Honor, finally, there is one defendant who was
8 incarcerated at the time of the arrest on Wednesday. This is
9 Mr. Suyunov. He's currently in the Southern District of
10 Florida, and we will be writting him up here along with anybody
11 else who's detained in Florida. There are three other
12 defendants down there right now. Mr. Suyunov was actually
13 arrested earlier. He was caught by local law enforcement in
14 the Miami area in possession of counterfeit credit cards,
15 devices. A laptop on his person was searched at that time
16 pursuant to a search warrant from the Southern District of
17 Florida. It also contains spreadsheets and documents that
18 appear to be stolen account information, among other relevant
19 data and information.

20 I think that that covers the scope of discovery and
21 the major categories of the kinds of discovery that we
22 anticipate.

23 THE COURT: All right. Why don't you describe for us
24 your plan with production. I'm sure that you've got something
25 in mind.

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1 MR. ADAMS: Yes.

2 I do think that this is a case where appointing a
3 discovery coordinator is going to be useful and helpful just
4 given the volume of electronic discovery and the various
5 formats. What we're going to do in the meantime is begin to
6 download the recordings. That will take a few days just to
7 download them. And to the extent that we don't have a
8 discovery coordinator to mass-produce this for approximately 30
9 defendants, we'll start making the copies to provide to defense
10 counsel. We're going to start with the recordings, start with
11 the transcripts, and start with the surveillance photos and
12 videos, which we're going to, in the first instance, provide on
13 DVDs. If we can't get a discovery coordinator in short order,
14 then what I think we'll do is ask for hard drives from people,
15 so that we can put -- so we don't have to drown people in DVDs,
16 and so we don't have to break up email accounts and things like
17 that.

18 And we will be starting on that -- we have already
19 started on that, frankly. We have many of the recordings, and
20 the line sheets will be coming shortly. I can start making
21 copies of those things today.

22 THE COURT: So, you'll essentially put everything that
23 you have received so far in one form or another onto a hard
24 drive. Putting aside for the moment other potential forms of
25 discovery, you're able to put everything onto a hard drive or

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1 hard drives and then produce those?

2 MR. ADAMS: Yes.

3 THE COURT: How long would it take you to do that for
4 one? And then tell me about the duplication timing necessary
5 to make the copies. Once again, I'm not suggesting that we
6 don't have somebody who fulfills a centralized role, but I just
7 want to get a sense of the timing on the outside.

8 MR. ADAMS: Sure.

9 So, to fully download the recordings will take at
10 least a couple of days. Just the speed by which those files
11 transfer will take a while, and I expect that copying 30 copies
12 of it is going to take probably a couple of weeks to completely
13 complete, but we have started that and will continue that today
14 and over the next few days.

15 The line sheets will go faster. Those themselves do
16 take a little while to download, but we should be able to get
17 those and make copies. I am hopeful by the end of next week,
18 we can have copies for all of the defendants, so that people
19 can at least begin reviewing the draft transcripts and the
20 draft summaries.

21 Similarly, the geolocation data, pen register
22 information, there's quite a bit of it, but just the nature of
23 that data shouldn't take as long.

24 THE COURT: So, a couple of weeks?

25 MR. ADAMS: I think so for that, yes.

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1 THE COURT: All right.

2 MR. ADAMS: Similarly, the email files are not
3 massive. We can copy those relatively quickly and then start
4 duplicating them on the same timeline as the geolocation data.
5 The format there differs, I'll say. Several of the accounts
6 are from Gmail and Google in in-box format, another is from a
7 Yahoo account, and I don't know off the top of my head if
8 that's the same format or not.

9 THE COURT: So, then, let's approach it this way:
10 What I am interested in is, just so I understand the outside
11 time frame, if the government -- and I understand you've
12 commenced this process already -- were to take everything that
13 is going to constitute the discovery in this case, and to put
14 it on hard drives, and to duplicate it 30-plus times, you need
15 a month to six weeks to do that?

16 MR. ADAMS: Yes.

17 THE COURT: Am I right?

18 MR. ADAMS: I think that's correct.

19 THE COURT: Okay. So, let's call it six weeks.

20 And you can roll out the production; is that right?

21 MR. ADAMS: Absolutely.

22 THE COURT: And you would be able to roll out the
23 production in a similar way for similar defendants; in other
24 words, line sheets could potentially, along with whatever else
25 is available, geolocation information, go out within a couple

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1 of weeks, while the recordings might take longer; is that
2 correct?

3 MR. ADAMS: Yes, your Honor.

4 THE COURT: All right.

5 So, that gives me a sense as to volume, which is very
6 significant --

7 MR. ADAMS: Yes.

8 THE COURT: -- and the number of issues that may be
9 involved in review.

10 Okay. The one thing that it sounds like -- well, was
11 there something else you wanted to say or -- I just want to
12 make a couple of comments.

13 MR. ADAMS: No, your Honor. There are obviously a few
14 defendants who are at least detained for the moment, and we'll
15 be working with the MDC or the MCC, as necessary, to make sure
16 that they have access to all the same stuff on the same
17 timeline.

18 THE COURT: Okay.

19 So, here is what I am going to suggest: We've got a
20 large group of people here who will want to both be heard on a
21 number of these issues and talk to their lawyers about a number
22 of these issues. What I'm going to suggest is that because the
23 government has raised the question of what I am going to call a
24 centralized repository for some of this discovery information,
25 I'm going to have counsel and the government confer on that and

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1 make an application, if you folks want to proceed that way, to
2 me in a letter, which people can join in. That way, I would be
3 able to understand, quite clearly, what you're thinking, who it
4 is, and what responsibilities this individual or individuals
5 would have, and, importantly, what responsibilities they would
6 not have. As I'm sure you folks are aware, discovery issues,
7 including for large cases, has been something that the district
8 has grappled with increasingly, and the use of individuals as
9 centralized places for cases to orient themselves around has
10 been something that people have talked about, used to varying
11 degrees. There are, in my view, some ways that that is done
12 efficiently and appropriately, and there are some ways in which
13 that can be set up to create problems that you want to avoid.

14 So, rather than going into any of that now, why don't
15 I ask the government to lead a discussion in whatever form,
16 through email, whether or not defense counsel is going to
17 appoint a point person to have a discussion about that, however
18 you folks want to do it. But when the application is made, I
19 just want to let you folks know I'll be looking very carefully
20 at it, and, in particular, if an application is made, at
21 ensuring that each defense counsel retains primary
22 responsibility, and ultimately for their client, exclusive
23 responsibility for the review of discovery and for the
24 assurance that all appropriate discovery has been received and
25 is available. In other words, you can't put off onto somebody

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1 else negotiations with the government around discovery for you
2 because different clients have different interests, and there's
3 an enormous number of different interests sitting in this room,
4 and you can't have somebody else do your discovery review for
5 you who is centralized with every other defendant.

6 However, there may be ways in which efficiencies are
7 gained, and I want to leave that open to you folks to make that
8 suggestion. So, let me put that onto the top of the
9 government's to-do list, but what I'm going to suggest, also,
10 is that the government may need to work on two tracks, which is
11 getting a set of this as a master set ready for production
12 because if it takes too long for you folks to work out your
13 application, or if you folks and I don't agree on what's
14 appropriate, and it either takes multiple iterations to come to
15 some resolution or if I ultimately disagree with it, I don't
16 want that application to be the creation of a big delaying
17 factor in the production of discovery.

18 So, the second thing is, I want the government to
19 ensure that it is creating a master set on hard drives that can
20 be duplicated in relatively short order, however many number of
21 times you're going to need to be able to do that, and to
22 ensure, in all events, on their calendar that discovery is
23 produced -- that which has been discussed today and which has
24 been received to date is produced in six weeks.

25 Now, I would expect, as Mr. Adams has already

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1 previewed, that there is going to be additions, both things
2 which will fall out of the review of the five search warrants
3 recently executed, what's on the various electronic devices
4 will have to be assessed, that may take a little bit more time,
5 so we'll check in on that, as well as the bank records
6 subpoena, it sounds like there's more to come there, and
7 there's already an expanded array of that that's anticipated.
8 So, I don't expect that every single piece of paper relevant to
9 this case is going to be produced in six weeks, but the bulk of
10 what you've already described, Mr. Adams, I would expect would
11 be produced within six weeks.

12 So, get me your application on this centralized
13 person, if that's what people decide, some or all, you don't
14 have to all be onboard with it, but if that's the way you folks
15 want to agree, get me that application, as necessary.

16 So, discovery in six weeks.

17 The other thing that I'm going to suggest is that I do
18 think, assuming that people have discovery in six weeks, that
19 people will not know whether or not they want to bring any
20 motions to suppress potentially for, I would say, probably 90
21 days at least. This is just motions to suppress. I'm putting
22 aside for the moment other potential motions because I think
23 that the review of discovery here is going to be very, very
24 significant.

25 So, what I'd like to do is, now that people have heard

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1 this, and once people get their hands on some of it, I'm going
2 to ask defense counsel, if they can, to either submit
3 individual letters, or, hopefully, you'll be able to come to
4 some accommodation where you'll get together and talk about a
5 briefing schedule, and you'll know and be able to suggest to me
6 how much time you need to bring appropriate motions, any
7 motions that you want.

8 So, for instance, it may be that you will come back to
9 me and say we can't even assess, with this volume, whether
10 we've got suppression motions until X date, but people who want
11 to file suppression motions, defense counsel is in agreement
12 that those motions should be brought not later than X date. If
13 you can't agree, you're welcome to all submit your individual
14 letters to me, and I'll figure something out and go from there,
15 but I'm hopeful that you will be able to either sort yourself
16 into certain groups where you're able to coordinate some of
17 that or to find a person who can assist or volunteer and
18 take -- draw the short straw to act as a coordinator of at
19 least that initial scheduling, because I don't think that we
20 know enough right now to set those dates. I'm suggesting 90
21 days for suppression motions, but it may be that you need more
22 time than that, I don't know.

23 The second group of motions would be other motions.
24 And I separate those, typically. They don't have to be, but I
25 typically separate suppression type motions from other motions.

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1 The reason for that is because, in my view, suppression type
2 motions, you usually are able to assess or evaluate searches
3 that occurred with or without warrants or assess the Title 3
4 applications or the warrants and/or postarrest statements, the
5 kinds of things that typically lead to suppression motions,
6 relatively easily. I'm not saying they're simple issues to
7 evaluate, but they present a different bucket of issues than
8 review of the entirety of the production to figure out if
9 you've got a motion that's somewhere buried in a thumb drive
10 that was found within a residence. So, I think of this as sort
11 of two separate schedules for motions.

12 And then what I think people should do is plan on
13 coming back here. I think what we should do is come back here
14 in 60 days, if that sounds like the right kind of time frame,
15 to have another conference. I'll have gotten a letter in the
16 meantime. We'll talk about the date of that letter. It can't
17 be any earlier than six weeks from now, because you won't even
18 have the discovery, and I won't be sure you've even gotten the
19 suppression materials or even begun to understand it. Maybe it
20 should be 75 days from now. I see Ms. Sternheim nodding her
21 head yes, so I am happy to make it 75 days.

22 MS. STERNHEIM: Only because it would put us in mid-
23 to late August, and I know some of my colleagues have earned a
24 vacation.

25 THE COURT: That's fine.

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1 So, why don't we say -- Joe, you'll be looking for a
2 date 75 days from now. Why don't we say that 65 days from now,
3 we're going to have a letter from counsel on a schedule for
4 motions.

5 Now, this is going to be subject to some adjustment.
6 Obviously, motions would not be expected to be included within
7 that calendar for materials that haven't yet been received.
8 Those are going to be dealt with at a separate time. You're
9 going to be able to bring the motions that you need to bring,
10 that's not the issue. This is just a matter of setting the
11 initial time frames for things. So, let me get a letter on the
12 briefing schedule that will have a proposed briefing schedule
13 for suppression motions and other discovery motions, let me get
14 that 65 days from now, and 75 days from now, we'll actually
15 come in and then talk. I will figure out, between now and
16 then, whether we're going to talk in groups, or maybe you folks
17 will suggest whether it makes sense to talk in groups or
18 whether you've got people who can be designated to talk as
19 primary spokespeople on a couple of issues. Maybe I can get
20 that before the conference. If not, I'll figure it out, but
21 let's get those dates right now.

22 So, 65 days, Joe?

23 THE DEPUTY CLERK: July 14th.

24 THE COURT: July 14th, I would want to get one or any
25 number of letters from defense counsel --

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1 Joe, 65 days.

2 THE DEPUTY CLERK: August 11th.

3 THE COURT: He hasn't had lunch yet. He's very
4 hungry. I can hear his stomach growling from here.

5 So, Joe, what is it?

6 THE DEPUTY CLERK: August 11th.

7 MS. STERNHEIM: Judge, I understand that you just said
8 75 days.

9 THE COURT: 65 for the letter.

10 MS. STERNHEIM: 65 for the letter, but 75. I'm
11 requesting, on behalf of the defense, that we return after
12 Labor Day.

13 THE COURT: Yes, we'll do that. So it won't be quite
14 75. That's fine.

15 MS. STERNHEIM: Thank you.

16 THE COURT: Let's just do something after Labor Day.

17 Why don't we put aside, Joe, we'll need two hours for
18 it because I don't know how this is going to sort itself out.

19 THE DEPUTY CLERK: Friday, September 8th, at 11:00.

20 THE COURT: Friday, September 8th, at 11:00 a.m. for
21 the conference, and August --

22 What did you say?

23 THE DEPUTY CLERK: August 11th.

24 THE COURT: -- August 11th for the letter or letters.

25 If you can coordinate on the letter or letters

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1 proposing a briefing schedule for motions, the two buckets that
2 I have talked about, terrific. If you cannot, send me your
3 letter by August 11th. I will then put in place a schedule or
4 we'll talk about it, depending on the nature of the letter, at
5 the September 8th conference.

6 At the September 8th conference, then we will
7 determine a trial date. I don't plan on doing that right now
8 because I don't know how this is going to sort itself out in
9 terms of the duration that you folks are going to need to
10 review all of this discovery, and I think you'll know a whole
11 lot more.

12 If you're able to have certain discussions with each
13 other about potential trial dates on or before September 8th,
14 that would be terrific. If you cannot have those discussions,
15 then what I will do is solicit some input on September 8th, and
16 I will set the trial date using my best judgment. It sounds
17 like there may be a lot -- well, there obviously are going to
18 be a lot of people's calendars to take into consideration, but
19 since we're talking about a trial that I can't imagine
20 occurring sooner than a year, if somebody needed to try it
21 sooner, we would try it sooner, obviously there's a right to a
22 trial sooner, and we'll try it as soon as people want, but I'm
23 anticipating that I'm going to hear from defense counsel that
24 they're going to want a significant amount of time to get ready
25 for this case. So, I'd like to have some proposals, and I

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1 think it's actually easier with people's calendars when we're a
2 year out because they often have scheduled themselves a year
3 out with the same kind of fervor as they schedule themselves
4 for the near-in dates. So, that's why I think setting a trial
5 date should prove actually ironically less difficult than it
6 would if we were trying to do it eight months from now.

7 So, we won't do that until September 8th, but we'll
8 talk about it September 8th.

9 Ms. Sternheim.

10 MS. STERNHEIM: Yes, your Honor. In light of the
11 number of defendants in this case and the case law in the
12 circuit, there would be no way that your Honor would be trying
13 all 30 of us together. If your Honor could request of the
14 government that perhaps they could divide up, as they see best,
15 how they would be handling this, so for purposes of trial
16 dates, we, as a group, could discuss it amongst ourselves?

17 THE COURT: I think that's a terrific suggestion, and
18 I'll ask Mr. Thomas and Mr. Adams to undertake that. And we've
19 recently had some very good experience with getting people
20 bucketized in the right ways. I think there's an art to it.

21 But, Mr. Adams and Mr. Thomas, why don't you folks
22 undertake that and share it both with the Court, so I can
23 understand that, as well as with defense counsel. So, sometime
24 sufficiently in advance of September 8th, it would be useful to
25 get those breakdowns in place. And we would, though, I think,

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1 schedule them relatively close together. That would be the way
2 that I've done it before, which actually works pretty well,
3 because if the case ends up narrowing significantly, which may
4 or may not happen, we then can collapse the trials into one.
5 So, that's what I've done before in very large cases and with
6 over 20 defendants, and we ended up with just a single trial.

7 So, that's what I think would be the initial plan of
8 action. Other than setting those dates and hearing what I
9 understand will be one bail issue, is there anything else that
10 others who are not associated with the bail issue that I know I
11 have before me, which relates to just one defendant, is there
12 anything else people believe needs to be raised right now?
13 Just identify yourself.

14 MR. LAZZARO: With respect to my client as far as
15 travel, Judge, she works in the upstate area and would like to
16 expand her ability to travel to work.

17 THE COURT: Okay. So, what I need is -- I don't
18 understand enough right now. I don't have her piece from
19 probation because I didn't bring it out here with me to
20 understand about travel. Let me just ask for a moment.

21 Does the government know --

22 Your client's name is Ms. Gaprindashvili?

23 MR. LAZZARO: Yes.

24 THE COURT: Does the government know enough about her
25 circumstances to be able to do this, and just tell me that

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1 there's no objection? If so, I have no reason to interfere
2 right now, but if you need to assess it, then what I would ask
3 is for you folks to get together, write me a letter. If it's
4 on consent, that's easy. If it's not, then I would ask for a
5 fuller presentation of your respective positions.

6 MR. ADAMS: Your Honor, as phrased, there's an
7 objection, but I imagine we can come to an accommodation.

8 THE COURT: Why don't you then try to come to an
9 accommodation. Try to do that as quickly as possible since it
10 does relate to the defendant's work, which I assume is an
11 urgent relatively time sensitive issue.

12 MR. LAZZARO: It is.

13 THE COURT: But we do need to get that resolved. I
14 can't do it on the fly without having the particular details in
15 front of me.

16 MR. LAZZARO: I'll speak to the government.

17 THE COURT: Terrific.

18 I will act on it as soon as I get something from you
19 folks. So, if I get something from you folks this afternoon, I
20 will act on it. I'll have my clerks call me because I do
21 understand it's an employment issue, and if you folks can come
22 to an agreement that allows the defendant to travel to her work
23 location, even if it's just point A to point B for this period
24 of time, until you work out a fuller agreement, I would be open
25 to that. So, let me know. I'll act on it immediately.

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1 MR. LAZZARO: Thank you.

2 THE COURT: Ms. Sternheim.

3 MS. STERNHEIM: Yes, your Honor. And this is with the
4 consent of the government that the travel restrictions for my
5 client, Mr. Mikheil Toradze, be extended for work purposes to
6 the District of New Jersey.

7 THE COURT: All right. Mr. Adams, is that correct?

8 MR. ADAMS: No objection.

9 THE COURT: All right. So, his bail term shall be so
10 modified to include the District of New Jersey.

11 Is that a seven-day-a-week extension or a Monday
12 through Friday?

13 MS. STERNHEIM: Your Honor, the nature of his work is
14 deliveries, and there are times that there are weekends and
15 during the week.

16 THE COURT: All right. So, there won't be a
17 particular date or time associated with that.

18 Just identify yourself.

19 Actually, she was standing up first, and then we'll
20 get to you. I'm sorry.

21 MS. NEWMAN: I'm sorry. Donna Newman.

22 THE COURT: Yes, Ms. Newman.

23 MS. NEWMAN: On behalf of Akaki Ubilava, I've spoken
24 to the government, also, about his expanding the travel
25 restrictions to include New Jersey and Upstate New York. That,

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1 however, was with the understanding that he would do so on
2 notice to pretrial, explaining where he's going -- the kind of
3 notice would include where he's going, when he's going, how
4 long he'll be there, and if for work, the work related to that.

5 THE COURT: Okay.

6 MS. NEWMAN: And with notice, also, obviously to the
7 government.

8 THE COURT: That was Ms. Newman for Mr. Ubilava?

9 MS. NEWMAN: Right.

10 THE COURT: Is that agreed to, Mr. Adams?

11 MR. ADAMS: Yes, it is.

12 THE COURT: Okay. Thank you. Okay.

13 Then we've got Mr. Greenfield.

14 MR. GREENFIELD: Yes, Judge. My client is involved in
15 the same delivery service as Ms. Sternheim's client. I was
16 going to make the same application to expand his bail
17 conditions.

18 THE COURT: That's for Mr. Kanadashvili? How do you
19 pronounce the name?

20 MR. GREENFIELD: Kanadashvili.

21 I get the shvili better than the first part, but I'll
22 have it down. Kanadashvili.

23 So, just for the District of New Jersey. I have had
24 conversations with Mr. Adams before. We were unable to
25 consent. I assume if he agrees with Ms. Sternheim's client, he

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1 would consent to my client.

2 THE COURT: Yes. I don't know the circumstances of
3 your client. Let me ask Mr. Adams.

4 Mr. Adams?

5 MR. ADAMS: We have no problem, your Honor.

6 THE COURT: All right.

7 MR. GREENFIELD: Thank you, Judge.

8 THE COURT: So, the bail conditions for
9 Mr. Kanadashvili are also modified to include the District of
10 New Jersey.

11 Next, we have Mr. Waldron. I'm sorry, not
12 Mr. Waldron, Mr. Levine.

13 MR. ADAMS: I'm sorry, your Honor. Before we move to
14 the next, just to clarify, Kanadashvili, that was District of
15 New Jersey for purposes of work only?

16 THE COURT: For purposes of --

17 MR. GREENFIELD: Work only?

18 THE COURT: For purposes of work only. It mirrors the
19 application of Ms. Sternheim, as I understand it.

20 MR. ADAMS: Thank you, your Honor.

21 THE COURT: Okay. Mr. Levine, I think that
22 Ms. Kellman is also standing up. So, somebody.

23 MS. KELLMAN: Thank you, Judge.

24 Earlier this morning, Judge, I got an email from
25 pretrial services suggesting that the bail conditions -- my

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1 client's bail conditions be tweaked a little bit. I have no
2 objection to it. I'm guessing the government has no objection.
3 We haven't had a chance to --

4 THE COURT: This is for Mr. Davydov?

5 MS. KELLMAN: Yes, your Honor.

6 THE COURT: Is the government aware of the tweaking of
7 the bail conditions?

8 MR. ADAMS: I have not seen any correspondence yet,
9 your Honor. I'll speak with Ms. Kellman, and we'll get back
10 with you.

11 MS. KELLMAN: I don't think you'll have any
12 difficulty.

13 THE COURT: Submit them to me, and I will act on it
14 very quickly.

15 Mr. Levine.

16 MR. LEVINE: Judge, I represent Mr. Petrushyn. I want
17 to let your Honor know I wouldn't be able to appear on
18 September 8th. I'll be attending a capital case seminar in Las
19 Vegas, but I'll have somebody stand in.

20 THE COURT: All right. So long as they have your
21 information about trial date and any discovery issues that you
22 may have.

23 MR. LEVINE: Yes. Thank you.

24 THE COURT: All right.

25 Is there anything else?

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1 Let's just take a five-minute break. Let's have
2 everybody who does not need to be involved in the one bail
3 application that we're going to proceed with be able to leave.

4 Hold on a second, don't everybody get up because it
5 will create chaos with the hearing for the interpreters. As
6 soon as I'm done talking, you can all stand up, otherwise they
7 won't be able to hear anything.

8 So, everybody can leave except for those individuals,
9 counsel, and parties who are necessary unless there's anything
10 else?

11 MR. ADAMS: Your Honor, I just ask to exclude time to
12 September 8th, given the complexity of the case, the need to
13 review discovery, produce discovery, for defense counsel to
14 begin considering motions and possible dispositions.

15 THE COURT: All right. Is there any objection to a
16 request to exclude time between today and September 8th, 2017?

17 COUNSEL: No.

18 THE COURT: Hearing no objection, the Court does
19 prospectively exclude time between today and September 8th,
20 2017, to allow for counsel and their clients to get their arms
21 around this extremely voluminous discovery, to begin discussing
22 the various issues involved in this case and strategy, and to
23 also plan the beginnings of a motion schedule, that those
24 interests are in the interests of justice and outweigh the
25 interests of the defendants and the public in a speedy trial.

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1 So, that time is prospectively excluded.

2 Mr. Oksenhendler, you're also standing?

3 MR. OKSENHENDLER: Yes. I'm the defense attorney that
4 is going --

5 THE COURT: So, you'll stay with your client.

6 MR. OKSENHENDLER: Can we have 15 minutes?

7 THE COURT: It's going to be tough because I've got
8 something that I've got to get to that I'm already late for.
9 Do you need it for --

10 MR. OKSENHENDLER: I'll deal with it.

11 THE COURT: All right. Let's just take a short break,
12 so that people can leave who don't need to be here, and I'll
13 see everybody who is going to be present for the bail
14 application in five minutes. Thank you.

15 * * *